



## Monitoring Report – NJ Cannabis Regulatory Commission

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Facility: Apothecarium Dispensary (TerrAscend NJ) Maplewood / Lodi

Location: 1865 Springfield Avenue, Maplewood, NJ 07040, 200 Route 17 South, Lodi, NJ 07644

Monitoring Date: June 6, 2023

Report date: June 6, 2023

Monitors: [REDACTED]

The New Jersey Cannabis Regulatory Commission (CRC), acting under the authority of the New Jersey Cannabis Regulatory Enforcement Assistance and Marketplace Modernization Act, N.J.S.A. 24:6I-31, et seq. (Personal Act) and the Personal Use Cannabis Rules, N.J.A.C. 17:30, et seq. (Personal Rules) and the authority of the Jake Honig Compassionate Use Medical Cannabis Act, N.J.S.A. 24:6I-1, et seq. (Jake Honig Act) and the CRC Rules, N.J.A.C. 17:30A, et seq. (Jake Honig Rules), is seeking enforcement action against TerrAscend NJ for multiple issues involving imbalances of medicinal products at their dispensary facilities. The following is a summary of the patient complaints and findings of the associated investigations:

This memo will serve as my overall investigation into these incidents. The investigations involved are INV 51/55/59/60/63.

### **INV 51 23 Complainant #1**

- This patient filed a complaint on 5/21/23 for TerrAscend NJ's Maplewood Apothecarium dispensary after experiencing imbalances of medicinal product on Apothecarium's website versus what is available inside of the actual dispensary store. The patient also complained of wanting specific product in the store, however, was verbally told that if they wished to purchase that product, that it would have to be done via an adult use sale. The patient was upset seeing the imbalance of medicinal products offered to patients at this dispensary. The patient noted that during his interaction, that no virtual transfer request was offered for the adult use product to be transferred to the medical side to be sold as a medicinal purchase. This is direct conflict with TerrAscend NJ's own SOP outlining virtual transfers.

The investigation into this specific case has highlighted how TerrAscend NJ is in clear violation of Final Agency Decision (FAD) issued by the New Jersey Cannabis

Regulatory Commission on 4/18/2023. Specifically, the section titled “Plans for Ensuring Adequate Medical Cannabis Inventory” & “Minimum Adequate Supply”. By forcing patients to purchase as adult use customers instead of completing sales as medical patients, along with not allowing patients to purchase specific product during “Patient-Only” hours are both two examples of TerrAscend NJ not conforming to this requirement to operate as an ATC. TerrAscend NJ is also in violation of 17:30-7.1 “Expanded alternative treatment centers”. Specifically, section (d) states: The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, *shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products*. This clearly shows TerrAscend NJ is not adhering to this regulation either, due to the complainant in this case having dealt with obvious issues trying to obtain certain cannabis products from the Apothecarium dispensary. Medical patients must have access to any listed cannabis product for sale at any dispensary, regardless of what menu it is on or how it’s being Metrc-tagged.

#### **INV 55 23 Complainant #2**

- This patient filed another separate complaint on 5/26/23 for TerrAscend NJ’s Maplewood Apothecarium dispensary after experiencing issues involving discounts on adult use menu items compared to medical menu items, and not being able to make medicinal purchases of certain products.
- The investigation into this specific case has highlighted how TerrAscend NJ is in clear violation of Final Agency Decision (FAD) issued by the New Jersey Cannabis Regulatory Commission on 4/18/2023. Specifically, the section titled “Plans for Ensuring Adequate Medical Cannabis Inventory” & “Minimum Adequate Supply”. By forcing patients to purchase as adult use customers instead of completing sales as medical patients, along with not allowing patients to purchase specific product during “Patient-Only” hours are both two examples of TerrAscend NJ not conforming to this requirement to operate as an ATC. TerrAscend NJ is also in violation of 17:30-7.1 “Expanded alternative treatment centers”. Specifically, section (d) states: The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, *shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products*. This clearly shows TerrAscend NJ is not adhering to this regulation either, due to the complainant in this case having dealt with obvious issues trying to obtain certain cannabis products from the Apothecarium dispensary. Medical patients must have access to any listed cannabis product for sale at any dispensary, regardless of what menu it is on or how it’s being Metrc-tagged.

### INV 59 23 Complainant #3

- This patient filed a complaint on 5/27/23 for TerrAscend NJ's Maplewood Apothecarium dispensary after being verbally told by dispensary staff that certain items on the adult use menu are off limits for medical patients to purchase, unless an adult use purchase was conducted. The patient was upset seeing the imbalance of medicinal products offered to patients at this dispensary. The patient noted that during his interaction, that no virtual transfer request was offered for the adult use product to be transferred to the medical side to be sold as a medicinal purchase. This is direct conflict with TerrAscend NJ's own SOP outlining virtual transfers.
- The investigation into this specific case has highlighted how TerrAscend NJ is in clear violation of Final Agency Decision (FAD) issued by the New Jersey Cannabis Regulatory Commission on 4/18/2023. Specifically, the section titled "Plans for Ensuring Adequate Medical Cannabis Inventory" & "Minimum Adequate Supply". By forcing patients to purchase as adult use customers instead of completing sales as medical patients, along with not allowing patients to purchase specific product during "Patient-Only" hours are both two examples of TerrAscend NJ not conforming to this requirement to operate as an ATC. TerrAscend NJ is also in violation of 17:30-7.1 "Expanded alternative treatment centers". Specifically, section (d) states: The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, *shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products.* This clearly shows TerrAscend NJ is not adhering to this regulation either, due to the complainant in this case having dealt with obvious issues trying to obtain certain cannabis products from the Apothecarium dispensary. Medical patients must have access to any listed cannabis product for sale at any dispensary, regardless of what menu it is on or how it's being Metrc-tagged.

### INV 60 23 Complainant #4

- This patient filed a complaint on 5/29/23 for TerrAscend NJ's Lodi Apothecarium dispensary after experiencing imbalances of medicinal product and THC imbalances of product compared from both the adult use to medical menus. The patient also states they have seen products on the adult use menus that are not available on the medical menus and have been forced to make purchases as a adult use customer instead of a medicinal patient in the past. His complaint wasn't specific about a recent encounter, however, after speaking with him directly, there have been numerous instances in the past where he was forced to purchase as an adult use customer to get the specific product he wants, along with witnessing in recent days many patients being forced to come back to the dispensary after Apothecarium's "Patient-Only" hours have been completed to buy a certain product from the adult use menu.
- The investigation into this specific case has highlighted how TerrAscend NJ is in clear violation of Final Agency Decision (FAD) issued by the New Jersey Cannabis Regulatory

Commission on 4/18/2023. Specifically, the section titled “Plans for Ensuring Adequate Medical Cannabis Inventory” & “Minimum Adequate Supply”. By forcing patients to purchase as adult use customers instead of completing sales as medical patients, along with not allowing patients to purchase specific product during “Patient-Only” hours are both two examples of TerrAscend NJ not conforming to this requirement to operate as an ATC. TerrAscend NJ is also in violation of 17:30-7.1 “Expanded alternative treatment centers”. Specifically, section (d) states: The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, *shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products*. This clearly shows TerrAscend NJ is not adhering to this regulation either, due to the complainant in this case having dealt with obvious issues trying to obtain certain cannabis products from the Apothecarium dispensary. Medical patients must have access to any listed cannabis product for sale at any dispensary, regardless of what menu it is on or how it’s being Metrc-tagged. This also shows how Apothecarium staff are not following the required SOP’s set forth by TerrAscend NJ upper leadership.

#### **INV 63 23 Complainant #5**

- This patient filed a complaint on 5/30/23 TerrAscend NJ’s Maplewood Apothecarium dispensary after experiencing imbalances of medicinal product for sale in the dispensary store. The patient tried to purchase a specific product but was verbally told by dispensary staff that the specific product request was only for adult use customers and the patient had to wait and return to the store at 10am to make a successful adult use purchase of that product. The patient noted that during his interaction, that no virtual transfer request was offered for the adult use product to be transferred to the medical menu to be sold as a medicinal purchase. This is direct conflict with TerrAscend NJ’s own SOP outlining virtual transfers.

- The investigation into this specific case has highlighted how TerrAscend NJ is in clear violation of Final Agency Decision (FAD) issued by the New Jersey Cannabis Regulatory Commission on 4/18/2023. Specifically, the section titled “Plans for Ensuring Adequate Medical Cannabis Inventory” & “Minimum Adequate Supply”. By forcing patients to purchase as adult use customers instead of completing sales as medical patients, along with not allowing patients to purchase specific product during “Patient-Only” hours are both two examples of TerrAscend NJ not conforming to this requirement to operate as an ATC. TerrAscend NJ is also in violation of 17:30-7.1 “Expanded alternative treatment centers”. Specifically, section (d) states: The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, *shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products*. This clearly shows TerrAscend NJ is not adhering to this regulation either, due to the complainant in this

case having dealt with obvious issues trying to obtain certain cannabis products from the Apothecarium dispensary. Medical patients must have access to any listed cannabis product for sale at any dispensary, regardless of what menu it is on or how it's being Metrc-tagged. This also shows how Apothecarium staff are not following the required SOP's set forth by TerrAscend NJ upper leadership. sale at any dispensary, regardless of what menu it is on or how it's being Metrc-tagged.

All cases mentioned above have been submitted to the NJ-CRC recently; however, this is after another string of medical patient complaints from back in January of 2023 that were all related to the same identical issue of imbalances found of medicinal products on the dispensary menus. The NJ-CRC required & instructed TerrAscend NJ at that time to produce signed attestations from all 3 dispensary General Managers and Assistant General Managers stating that all staff are aware of the Metrc "Virtual Transfer" functionality, and that medical patients must have the ability to purchase any product sold in the store as a medicinal purchase at any time of the day. We also instructed Evan Kolakowski, TerrAscend NJ's Director of Regulatory & Quality Insurance, to sign a letter stating that all employee retraining of all 3 dispensaries (Phillipsburg, Maplewood, Lodi) on the topic of Metrc "Virtual Transfers" was initiated and completed. This specific document will be attached at the end of this investigation packet to view.

Even after the required completion of TerrAscend NJ's attestation referenced above was completed to combat the issue of medicinal product imbalances, it still seems to be a rampant issue with TerrAscend NJ and their staff, that they simply are not offering all advertised cannabis products to medicinal patients and making it purchasable as a medicinal purchase that is tax-free as per their requirement in the ATC's FAD. Failure to adhere to these directives should result in formal enforcement action against this ATC.

The investigation into these matters is now complete. I want to formally recommend enforcement action for the involved assigned cases against TerrAscend NJ.

Respectfully Submitted,



Investigator  
NJ CRC